

**STATE OF INDIANA**

**INDIANA UTILITY REGULATORY COMMISSION**

**IN THE MATTER OF THE PETITION OF THE CITY OF )  
LEBANON UTILITIES FOR APPROVAL OF A NEW )  
SCHEDULE OF RATES AND CHARGES FOR )  
ELECTRIC SERVICE AND FOR AUTHORITY TO )  
ISSUE BONDS TO FINANCE CERTAIN PROJECTS )**

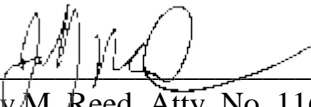
**CAUSE NO. 44142**

**NOTICE OF SETTLEMENT**

The Indiana Office of Utility Consumer Counselor (“OUCC”) and the City of Lebanon Utilities (“Petitioner”) hereby notify the Commission that they have reached an agreement in principle that resolves all issues in this Cause. Under the terms of the settlement, Petitioner’s proposed annual increase in operating revenues will be reduced by approximately \$700,000 per year, Petitioner will use its cost of service study to design rates and charges and will be authorized to issue revenue bonds for certain capital projects.

In light of the settlement, the OUCC will not be filing its case-in-chief. The parties will finalize and file a Settlement Agreement and any settlement testimony on or before July 26, 2012, the date originally set for Petitioner’s rebuttal. The August 10, 2012 Evidentiary Hearing date will remain unchanged. Counsel for Petitioner has reviewed this Notice and authorized counsel for OUCC to execute the document.

Respectfully submitted,

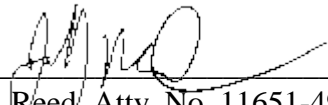
  
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Jeffrey M. Reed, Atty. No. 11651-49  
Deputy Consumer Counselor

**CERTIFICATE OF SERVICE**

This is to certify that a copy of the foregoing *NOTICE OF SETTLEMENT* has been served upon the following counsel of record in the captioned proceeding by electronic service on July 13, 2012.

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